

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

--	--	--	--	--	--	--	--	--	--

# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 3, 2018/2019

### BAC1054 – PRINCIPLES OF MANAGEMENT ACCOUNTING

(All Sections/ Groups)

27 MAY 2019  
2:30 P.M – 4:30 P.M  
(2 Hours)

---

#### INSTRUCTIONS TO STUDENT

1. This question paper consists of **4** pages excluding cover page with **5** questions.
2. Answer **ALL** questions.
3. Write your answers in the answer booklet provided.

**QUESTION 1****Part A**

Given below is the list of cost and inventory data that has been completed and taken from the accounting records of Artisan Croissant Manufacturing for the year ended 31 December 2018:

	RM
Beginning raw materials inventory	30,000
Beginning WIP inventory	64,000
Beginning finished goods inventory	16,400
Ending raw materials inventory	27,000
Ending WIP inventory	50,000
Ending finished goods inventory	20,600
Sales revenue	800,000
Purchases of raw materials	172,000
Payments for direct labour costs	269,000
Factory overhead charged to products	134,500
Other expenses	190,000

**Required:**

- (a) Prepare a schedule of Cost of Goods Manufactured for the accounting period. (6 marks)
- (b) Prepare the Statement of Profit or Loss for the accounting period. (5 marks)

**Part B**

A plush toy manufacturer incurred the following items:

1. Plush fabrics	6. Plastic pellets materials
2. Depreciation on administrative offices	7. Depreciation on stuffing machine
3. Assembly workers' wages	8. Cost of warranty repairs
4. Office utilities	9. Office supervisors' salaries
5. Production supervisors' salaries	

**Required:**

Classify the above items into the following categories: product cost or period cost.

(9 marks)

[TOTAL 20 MARKS]

Continued...

**QUESTION 2**

Ruby Churro Production uses a job order cost accounting system and keeps perpetual inventory records. The company had the following transactions during its first month of operations:

1.	Purchased raw materials on account, RM160,000.
2.	Raw materials of RM60,000 were requisitioned to the factory. An analysis of the materials requisition slips indicated that RM12,000 was classified as indirect materials.
3.	Factory labour costs incurred were RM300,000 of which RM240,000 pertained to factory wages payable and RM60,000 pertained to employer payroll taxes payable.
4.	Time tickets indicated that RM200,000 was direct labour and RM100,000 was indirect labour.
5.	Overhead costs incurred on account were RM250,000.
6.	Manufacturing overhead was applied on the basis of direct labour cost. Manufacturing overhead for the year is estimated to be RM3,600,000 while total direct labour cost is estimated at RM3,000,000.
7.	Goods costing RM260,000 are still incomplete at the end of the month; the other goods were completed and transferred to finished goods.
8.	Finished goods costing RM200,000 to manufacture were sold on account for RM260,000.

**Required:**

- (a) Compute the predetermined overhead rate. (2 marks)
- (b) Record the transactions in general journal. (11 marks)
- (c) Compute ending balance for work in process and finished goods inventories. (7 marks)

[TOTAL 20 MARKS]

Continued...

**QUESTION 3**

Amber Gemstone Manufacturer produces Baltic amber stones in creating all types of jewellery, including pendants, rings, necklaces, and bracelets.

On 1 January 2019, the company has 48 tons of stones (70 percent completed) in the production process. Cost of beginning work in process inventory was RM12,000 (direct materials cost of RM5,760 and conversion cost of RM6,240).

During January, the company started into production by adding 576 tons of stones and remained 30 tons as ending work in process with an average of one-third (1/3) completed. Additional costs were added: direct material cost of RM69,120 and the conversion cost of RM81,340.

**Required:**

Prepare a production cost report for the month of January 2019.

[TOTAL 20 MARKS]

**QUESTION 4**

Tivoli Manufacturer has budgeted the following unit sales:

Year 2018	January	February	March	April	May
Total units	20,000	16,000	18,000	22,000	30,000

The finished goods units on hand on 31 December 2017 was 4,000 units. Each unit requires 3 kilograms of raw materials that are estimated to cost an average of RM4 per kilogram.

It is the company's policy to maintain a finished goods inventory at the end of each month equal to 20% of next month's anticipated sales.

They also have a policy of maintaining a raw materials inventory at the end of each month equal to 30% of the kilograms needed for the following month's production. There were 17,280 kilograms of raw materials on hand at 31 December 2017.

**Required:**

Prepare production budget and direct materials budget for the first quarter of year 2018. Show all the workings.

[TOTAL 20 MARKS]

Continued...

**QUESTON 5****Part A**

Pretty Dolls' sales slumped badly in 2018 due to so many people purchasing goods through online. The company's income statement showed the following results from selling 500,000 units of dolls: net sales RM4,250,000; total costs and expenses RM5,000,000; and net loss RM750,000. Costs and expenses consist of the following:

	Total (RM)	Variable (RM)	Fixed (RM)
Cost of goods sold	4,000,000	2,600,000	1,400,000
Selling expenses	400,000	100,000	300,000
Administrative expenses	600,000	300,000	300,000
<b>Total</b>	<b>5,000,000</b>	<b>3,000,000</b>	<b>2,000,000</b>

For the year 2019, the management of Pretty Dolls is considering to purchase a new automated equipment. By operating this new equipment, the company is going to change the proportion between variable and fixed expenses to 45%:55%.

**Required:**

- (a) Calculate contribution margin and contribution margin ratio for the year 2018. (4 marks)
- (b) Compute break even sales for the year 2018. (2 marks)
- (c) Should the management decide to proceed with its plan, compute the break-even sales for 2019. (8 marks)

Show all the workings.

**Part B**

Activity Cost Pool	Cost Driver
Machine setup	Engineering hours
Ordering and receiving	No. of setups
Packaging	No. of boxes
Engineering design	No. of orders
Machining	Machine hours
Assembly	No. of subassemblies

**Required:**

Match the activity cost pools with the possible cost drivers (6 marks)

**[TOTAL 20 MARKS]**

**End of page.**